

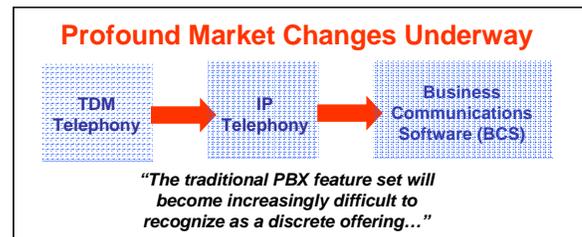
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## Software Transformation of Enterprise Communications Is Shifting Solution Value Into Applications and Higher-level Services

**IntelliCom Analytics Finds Traditional Reporting Metrics Losing Relevance as Market Shifts to Software-Centric Delivery Model; Launches New Service to Fill Intelligence Gap**

UNION, NJ -- (MARKET WIRE) – September 20, 2006 -- According to new research from industry analyst firm IntelliCom Analytics, software and higher-level services now account for over 60% of new enterprise IP telephony solution revenues; exposing a fundamental deficiency in today's hardware-centric approach to tracking market opportunity and penetration. Profound delivery and business model changes, which were documented in IntelliCom's May 2006 Market Dashboard Report, are increasing the enterprise solution value of software and services while also accelerating the obsolescence of traditional hardware-based reporting metrics.

Although first-generation IP-PBX platforms now represent over 70% of new communication shipments in North America, a new breed of Business Communication Software (BCS) solutions are entering the market that embed customizable telephony feature sets in Unified Communications platforms, open source solutions and core business applications. The complexities associated with the implementation and integration of these next-gen solutions with enterprise business processes are giving rise to a new layer of expert services.



The advent of BCS solutions and high value services is accompanied by rapidly declining sales of traditional systems, with IntelliCom projections showing TDM shipments falling below 10% in 2008. *"Line shipments were an appropriate measure in a time of common hardware architectures with comparable platform-level depreciation and replacement timetables. With today's rapidly evolving delivery models, however, they've become an artificial construct based on technology that is actively being phased out and disaggregated,"* explains Frank Stinson, director of IntelliCom's Market Dashboard research program.

To fill this critical market measurement gap, IntelliCom has launched a performance tracking service as a complement to its existing Market Dashboard program. This new service will provide quarterly market volume and revenue results that fully address the implications of these business and delivery model shifts across the complete solution value chain. *"As the recent pace of developments clearly indicates, this market is evolving rapidly, and more change and disruption is looming on the horizon,"* remarks Stinson. *"With manufacturers, channels, end users and the investment community all making business-impacting decisions based on market performance, it's clear that the industry requires a more forward-looking and adaptive approach to measuring market opportunity and penetration."*

The IntelliCom Market Dashboard is a strategic analysis program that evaluates the progress of major suppliers in building sustainable business models in the context of market transformation and emerging disruptive threats. Key areas of focus include vendor technology direction, solution positioning, go-to-market approach, applications strategy and market performance.

### About IntelliCom Analytics

IntelliCom Analytics is a professional services and business research provider focused on the rapidly-evolving intelligent communications market. Key areas of specialty include the measurement, analysis and assessment of all major dynamics that influence enterprise technology purchase decisions, provider competitiveness and evolving industry business models. With well over a century of collective business and leadership experience in the telecom and data industries, IntelliCom Analytics brings a wealth of finely-honed skills, expertise and market opportunity insights to client engagements. For further information, visit [www.intellicom-analytics.com](http://www.intellicom-analytics.com).

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